

DU for Government Loans Release Notes

April 2023 Release

Feb. 15, 2023

Updated Mar. 9, 2023

During the weekend of **April 15**, 2023, Desktop Underwriter® (DU®) for government loans will be updated to support FHA and VA changes.

NOTE: For ease of reference, this document generally uses the term “DU” to refer to “DU for government loans.”

Mar. 9, 2023: These release notes have been updated to include a new release date. The release will no longer take place the weekend of March 18, but will be implemented the weekend of April 15.

VA Message Updates

Several VA specific messages will be updated for clarity and to better align with the VA Lender’s Handbook. These changes will apply to both VA version 3.0 and 3.1.

New FHA Version 4.1

FHA version 4.1 will be implemented and will apply to new FHA loan casefiles created on or after the weekend of **April 15**, 2023. Loan casefiles created in FHA version 4.0 will continue to be underwritten with FHA version 4.0. This is a DU specific version and will not impact the version of TOTAL that is applied to the submission.

FHA Required Investment Calculation Change and Other FHA Updates

- At the direction of FHA, payoffs will no longer be included in the Required Investment Calculation that is sent to the FHA TOTAL scorecard on refinance transactions. The determination of this amount will be taken from **Line E. Credit Cards and Other Debts Paid Off** in section **L4** of the Desktop Originator® (DO®)/DU user interface. For any payoffs that are to be included in the transaction, lenders should ensure that the amount for that field is separated from **Line D. For Refinance: Balance of Mortgage Loans on the Property to be paid off in the Transaction**, in section **L4** on all refinance transactions. The next update of the DU Specification (DU Spec) version will reflect this change.

NOTE: The Required Investment Calculation change will only apply to loan casefiles underwritten with FHA version 4.1 only. However, to ensure proper calculations by DU, lenders should continue to only use Line D. on no cash-out and limited cash-out loan casefiles underwritten with FHA version 4.0.

- The service used by DU to standardize the address in order to determine the county in which the property is located will be updated. The updated version of the service will now return data based on 2020 census. This value is sent to the FHA TOTAL scorecard, which determines the county loan limit for display by DU.

NOTE: This change will apply to version 4.1 only.

- One FHA message will be updated for clarity and one message will be removed to better align with the FHA Single Family Housing Policy Handbook. These changes will apply to both FHA version 4.0 and 4.1.

FHA Positive Rental History

For all cases with an FHA Case Assignment date on or after March 25, or for cases submitted or resubmitted on or after March 25 without an FHA case number, the FHA TOTAL Scorecard will generate an error if a valid value for **Positive Rental History** is not provided in the **Government** Section. For cases where Positive Rental History does not apply, including refinances, lenders



should provide a value of “No”. Refinances with any value other than “No” will also generate an error from FHA. This change will be reflected in the next DU Spec update.

Additional Resources

For additional information, please reference the documents and web sites listed below.

Document Name and Description	URL
Online HUD Handbook 4000.1	http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1
HUD Mortgagee Letters	https://www.hud.gov/hudclips/letters/mortgagee
FHA Mortgage Limits	https://entp.hud.gov/idapp/html/hicostlook.cfm
CHUMS Data Files	http://www.hud.gov/pub/chums/file_layouts.html
FHA Resource Center: Contact Information and FAQs	http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/fharesourcectr
VA Lender’s Handbook	https://benefits.va.gov/warms/pam26_7.asp
VA Circulars	http://www.benefits.va.gov/homeloans/new.asp
VA Loan Limits	http://www.benefits.va.gov/homeloans/loan_limits.asp
VA Regional Loan Centers: Contact Information	https://www.benefits.va.gov/homeloans/contact_rlc_info.asp

For More Information

More information can be found in the Help Center, which is accessed through the Desktop Originator® (DO®)/DU User Interface. Additionally, lenders may contact their Fannie Mae Business Account Management Solutions team, and mortgage brokers should contact their DO sponsoring wholesale lender. For questions regarding VA policies and guidelines, lenders and mortgage brokers should contact their VA Regional Loan Center. For questions regarding HUD policies and guidelines, lenders and mortgage brokers should contact HUD at 1-800-CALL-FHA (1-800-225-5342).